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December 18, 2007

AGENDA ITEM 4d

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** Health and Disease Management Initiative Update
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

Introduction

At the October 2007 Health Benefits Committee (HBC) meeting, Mercer made a presentation on the key components and objectives of the Health and Disease Management Initiative. Since October, staff, with the assistance of Mercer, have made progress on several key elements of this project to help move closer to a comprehensive and more consistent health and disease management program model across all of our contracting health plans. This agenda item provides an update on the project's status and next steps.

Background

The Health Benefits Branch (HBB) initiative to design, develop and execute a best-in-class Health and Disease Management Program is centered on the following key areas:

A. Current Health Plan Capabilities

The November 26, 2007, survey seeks a variety of information from each of the Plans regarding both their current health and disease management capabilities. Additionally, the survey seeks approaches related to the following programs, as well as their future development plans and timelines for such development:

- health risk assessments
- lifestyle management

- disease management/chronic conditions
- general member health information/education
- online member self-care tools, and
- personal health records

Additional capability assessment steps will include phone interviews with top CalPERS medical groups to determine how data is collected and reported, as well as how they structure, operate and integrate their own wellness/preventive care and disease management programs with those of the Plan; and site visits with each Plan to interview key personnel involved in running the various programs in order to validate information submitted in the survey.

The phone interviews and site visits will be conducted jointly by HBB clinical staff and Mercer in January 2008.

The survey, site visits and interviews will allow staff and Mercer to assess the completeness, effectiveness, consistency and integration/linkages between health and disease management programs at each of the Plans. This analysis will also determine how well the Plans are managing their health and disease management programs in relation to current best practices in the marketplace. A final report on key findings and recommendations is expected in February 2008 and updates will be provided at both the January Board offsite and the February HBC meeting.

B. Disease Management Performance Monitoring

The HBB clinical staff, with the assistance of Mercer, have developed two sets of disease management performance monitoring measures. The first are measures that can be verified by the data from the Health Care Decision Support System (HCDSS). The second measures/data are not currently available in the HCDSS, yet considered best in class and beneficial to a successful disease management program and are clinical measures. These clinical measures cover a wide range of program performance attributes from clinical values on five key diseases of Asthma, Diabetes, Chronic Obstructive Pulmonary Disease (COPD), Coronary Artery Disease (CAD), and Heart Failure (HF) to program process metrics. An example of a clinical measure that is not currently available through HCDSS would be for Diabetes. For appropriate comprehensive diabetes care that is well controlled an HbA1c level that is greater than 7.0 percent is desired. This clinical information is recorded in a patients medical record, but usually is not collected like claims/billing information is collected.

On November 26, 2007, staff released a survey, developed jointly by staff and Mercer, which among other things asks the Plans about their willingness and ability to report each of the measures to CalPERS on the five key diseases. The Plans were asked to provide responses to this survey by December 7, 2007.

Using the feedback received from the survey, staff will work with Mercer to further refine the set of measures and establish a phasing plan for reporting of some of the measures that will require further efforts to develop.

In the meantime, staff will work with the Plans to develop the processes and systems necessary to report, capture and analyze certain best-in-class measures that are not currently being reported to CalPERS.

Once the refinements to the set of measures is complete, a timetable will be developed for the Plans to report all of the measures. HBB staff will then begin evaluating Plan reporting for completeness, accuracy and consistency with the defined standards and will begin regular reporting of the results, as well as feedback to the Plans.

An update on the progress in this area will be provided during the January Board offsite meeting.

C. Primary Cost Driver Validation

Mercer is also working with HBB staff, using data from the CalPERS Data Warehouse to validate and quantify the magnitude of current costs related to key disease states, within the Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) populations, to ensure that correct disease management conditions are being targeted and managed by the Plans.

It is expected that this analysis will be completed sometime in early 2008. The results will be incorporated into the assessment of how well current health plan capabilities align with key CalPERS needs. In addition, these results will aid in the development of a longer-term health and disease management strategy that will maximize the impact on key diseases and conditions affecting the largest share of members and driving the greatest share of costs.

D. Conclusion/Next Steps

Outgrowths of this program analysis and design work will lead to a comprehensive, integrated model that:

- is data-driven, evidence-based
- has stakeholder engagement (both employer and members)
- provides for an evolutionary incentive plan
- includes an extensive communication strategy
- provides for on-going measurement and evaluation feedback by HBB clinical staff

The full results of this initiative, including specific recommendations for health and disease management program enhancements and future directions, are targeted for presentation at either the March or April 2008 HBC meetings.

V. STRATEGIC PLAN:

This request relates to Goal X and XI of the strategic plan which state:

- “Develop and administer quality, sustainable health benefit programs that are responsive to and valued by enrollees and employers” and
- “Promote the ability of members and employers to make informed decisions resulting in improved lifestyle choices and health outcomes”.

VI. RESULTS/COSTS:

This is an information item only.

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